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# The Rise, Fall of Ronald Rewald

**AS RECEIVED**

## More Than 400 Investors Gave His Company \$22 Million

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Star-Bulletin Writer

The letter from Ronald Rewald's public relations man ended with what would turn out to be an understatement. It also would turn out to be quite prophetic.

"Thank you for your interest in Bishop, Baldwin, Rewald, Dillingham & Wong. I'm sure you'll find Ron Rewald personable and a pleasant interviewee; and I'm certain you'll find the story of BBRD&W fascinating grist for a feature article."

The letter to the Star-Bulletin from Elliot Pufham was dated June 22, 1983.

The interview would never take place. The summer heat was rising steadily for Ronald Rewald and the last thing he wanted to do was talk to a news reporter. An IRS investigation, which Rewald thought he had stopped, had resumed.

He had written a desperate letter in January 1983 to Jack Rardin, then the CIA bureau chief, asking that the IRS investigation be stopped.

"Current delicate situation threatens the security of all subsidiary companies, as well as Bishop, Baldwin, Rewald, Dillingham & Wong and myself," Rewald wrote.

"This situation has been festering for four weeks . . . Unless receive direct Washington assistance soonest, believe that security flap with IRS is inevitable," he wrote.

TEN DAYS later, the IRS probe was stopped, according to a letter from Rewald's attorney, Dana Smith, to IRS criminal investigator Joseph Campione.

For the next four months, it was business as usual for Rewald and company. Hundreds of thousands of dollars continued to pour in from investors.

But even more was being spent for Rewald's extravagant lifestyle and for company overhead, court records show.

Thousands went to pay the leases and mortgage for his

The trial of Ronald R. Rewald on charges of mail fraud, securities fraud, tax evasion and perjury begins today in federal court with U.S. District Judge Harold Fong presiding. It is expected to run up to three months. This article provides the background for one of the most publicized cases in Hawaii history.

house and two ranches. Thousands went to pay for his polo ponies. A hundred a week went to a relative. There was a \$1,000 donation to the Boy Scouts. A hundred dollars to Junior Achievement.

A \$2,000 donation for Lt. Gov. John Waihee's political campaign organization. There were flowers and fruit baskets. Horse shoes and life insurance. Trips and salaries and champagne for friends.

The money — up to a quarter million a month — poured out.

From the outside, BBRD&W looked like a thriving international enterprise. Rewald looked like an incredibly rich and confident businessman.

Even Rewald's public relations firm was sure the company was rock solid.

BUT REWALD knew the IRS investigation had resumed. As the end of July neared, the IRS's Campione turned up the heat. On July 23, 1983 he filed a petition in federal court to enforce an IRS summons. He wanted to see company books.

The news media also pressed company officials with embarrassing questions. A state regulatory agency wanted Rewald to come in and answer some questions about his company. The Securities and Exchange Commission was questioning Rewald's method of attracting investments.

Rewald could see that there would be no help for him this time. As far as he was concerned, he had reached the end of the line.

On July 28, 1983, Ronald R. Rewald, the affable businessman who had been able to convince some 400 people to invest \$22

million in his company, checked into the Sheraton Waikiki Hotel and cut his wrist.

In his suicide note to his wife, Rewald wrote in shaky script, "I started out working for our country and was abandoned when others feared for their jobs. It never dawned on me that I would be left alone and unprotected."

### "Winterdog"

If Rewald had died in the Waikiki hotel room, Hawaii residents probably would have been witness to an intriguing, yet short-lived run of news stories. Investigators would have gone into Rewald's plush Grosvenor Center offices and found a jumble of records.

Before long, they would have noticed that some of the records were missing. And it wouldn't be long before they discovered that the money was missing. The millions of dollars that investors had put into Rewald's company were gone.

Outraged investors would have had no one on whom to vent their anger. There would have been some questions about the CIA's connection to the company, but with certain documents sealed by the courts on national security grounds, no one would ever know the extent of involvement.

But Rewald survived.

He was found semiconscious against a tub in the hotel bathroom and taken to Queen's Hospital. Investors had someone to blame and island residents have been witness to one of the most heavily covered stories in the state's history.

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